

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE)
WHOLESALE WATER SERVICE RATES OF) CASE NO. 97-453
THE CITY OF DANVILLE, KENTUCKY)

O R D E R

The City of Danville, Kentucky ("Danville") has submitted proposed revisions to its existing rates for wholesale water service to public utilities. Danville proposes that these revisions become effective for service rendered on and after November 15, 1997. Lake Village Water Association has moved to intervene in any Commission proceedings on the proposed rates and for suspension of the proposed rates.

Having considered the proposed rates and being otherwise sufficiently advised, the Commission finds that, pursuant to KRS 278.190, further proceedings are necessary to determine the reasonableness of the proposed rate revision.

The Commission further finds that Lake Village Water Association has a special interest in this proceeding that is not otherwise adequately represented and that its intervention is likely to present issues or to develop facts that assist the Commission in fully considering the matter without unduly complicating or disrupting this proceeding.

IT IS THEREFORE ORDERED that:

1. Danville's proposed rate revisions are suspended for five months from November 15, 1997 to April 14, 1998.

2. Within 30 days of the date of this Order, Danville shall submit the information required by 807 KAR 5:001, Section 10. To the extent that Danville considers any of the requirements of this regulation to be onerous or inapplicable, it may petition for a deviation from them.

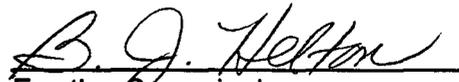
3. The motion of Lake Village Water Association for leave to intervene in this matter is granted.

4. Lake Village Water Association shall be entitled to the full rights of a party and shall be served with the Commission's Orders and with filed testimony, exhibits, pleadings, correspondence and all other documents submitted by the parties after the date of this Order.

5. Should Lake Village Water Association file documents of any kind with the Commission in the course of these proceedings, it shall also serve a copy of said document on all other parties of record.

Done at Frankfort, Kentucky, this 14th day of November, 1997.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

November 17, 1995

Mr. Richard Williams
Operations Manager
B.T.U. Pipeline, Inc.
P. O. Box 242
Salyersville, Kentucky 41465

Dear Mr. Williams:

We have received B.T.U.'s response of October 27, 1995 to the September 1995 comprehensive inspection. In our study of the response, we have found that more specific responses are required to the following answers:

1. The procedures attached to the response were only for Central plastic fittings and fusion equipment as noted in the footnote at the bottom of each page.
2. While Tim Hull of Tennessee Gas may well have a valid joining card, he or anyone else who joins polyethylene pipe must be qualified and certified on the specific brand of pipe being used.
3. Please furnish a time frame when it may be expected that meters will be in use at all customer locations.
4. B.T.U. currently has steel pipe entering the ground and apparently crossing the Mountain Parkway, near the drip, west of the Will Conley residence. This pipe must be cathodically protected and monitored annually.
5. B.T.U. must annually have published in the local newspapers its areas of operation. A list of all contractors in the area must be kept and updated.
6. In order to establish a maximum allowable operating pressure (MAOP) for its pipelines, B.T.U. must document the test pressure or the historical operating pressures.
7. Please inform the PSC of a time frame when B.T.U. expects to have an odor testing device in use.
8. Acceptable.
9. Acceptable.

Letter to Mr. Williams
November 17, 1995
Page 2

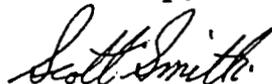
10. Although B.T.U. may have no employees as such, anyone who receives a call regarding leakage, construction activity, etc., must be in an approved drug program. This also applies to anyone who performs day-to-day activities on the gas system. Therefore, both Richard and Pam Williams must belong to an anti-drug program.

11. Acceptable.

Please respond by December 8, 1995 with a revised and updated response to the recent comprehensive inspection.

If you have any questions or require additional information, please contact Larry L. Amburgey or David B. Kinman at (502) 564-3940.

Sincerely,



E. Scott Smith, Manager
Gas Pipeline Safety Branch

ESS:dcp